Saskatchewan Milk Control Board Update

Volume 14 No.8, April 15, 2008

QUOTA EXCHANGE

The eighth butterfat Quota Exchange of the 2007-2008 dairy year was conducted on April 15, 2008. The market-clearing price established for the Unused Quota Exchange was **$57.10**. The market-clearing price established for the Used Quota Exchange was **$52.00**. The results of the April 2008 Quota Exchange are outlined in the following Tables.

The next monthly Quota Exchange for the 2007-2008 dairy year will be held on May 15, 2008. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the Board office by midnight, May 6, 2008. The Board recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange.

Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.

The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

TABLE I

UNUSED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	**$57.10**
Kilograms offered to Purchase	**5,300**
Kilograms offered to Sell	**8,000**
Kilograms sold	**5,000**
Number of Producers	
- offered to purchase	**5**
- purchased quota	**5**
- offered to sell	**3**
- sold quota	**1**

UNUSED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
55.00	1	1	5,000	5,000	-300	5,300	0	5	0
57.10	**0**	**1**	**0**	**5,000**	**-300**	**5,300**	**1,000**	**5**	**1**
57.50	0	1	0	5,000	700	4,300	300	4	1
59.00	1	2	1,000	6,000	2,000	4,000	0	3	0
60.00	0	2	0	6,000	2,000	4,000	2,500	3	2
60.01	0	2	0	6,000	4,500	1,500	1,500	1	1
70.00	1	3	2,000	8,000	8,000	0	0	0	0

TABLE II

USED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	**$ 52.00**
Kilograms offered to Purchase	**15,000**
Kilograms offered to Sell	**39,386**
Kilograms sold	**8,000**
Number of Producers	**------**
- offered to purchase	**3**
- purchased quota	**3**
- offered to sell	**7**
- sold quota	**2**

USED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
50.00	1	1	4,000	4,000	-11,000	15,000	0	3	0
52.00	**1**	**2**	**4,000**	**8,000**	**-7,000**	**15,000**	**5,000**	**3**	**1**
54.00	1	3	12,500	20,500	10,500	10,000	0	2	0
55.00	1	4	5,886	26,386	16,386	10,000	0	2	0
55.06	0	4	0	26,386	16,386	10,000	7,000	2	1
56.56	0	4	0	26,386	23,386	3,000	3,000	1	1
60.00	1	5	2,000	28,386	28,386	0	0	0	0
64.50	1	6	6,000	34,386	34,386	0	0	0	0
65.00	1	7	5,000	39,386	39,386	0	0	0	0

BUTTERFAT PRODUCTION AND COMPONENT PRICING, MARCH 2008

Butterfat production for March 2008 totalled approximately 762,835 kilograms. This was an increase of approximately 6.55% over March, 2007 shipments. **For the first eight months of the 2007-2008 dairy year, Saskatchewan's allocation of Total Production Quota totalled approximately 5,863,258 kilograms. In the first eight months, the province has shipped 98.45% of that amount.**

The weighted average component tests and prices for the province in March are indicated in Table III.

Over quota (4m) holdings are $1,605,799.66 for the first eight months of the 2007/2008 dairy year.

Unallocated Total Production Quota pending for August 1, 2008 is estimated at 0.51%.

TABLE III

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.7784	$10.720673
Protein	3.3431	$ 7.720670
Other Solids	5.6980	$ 1.132247

Based on the average component tests for the province, the average price received was $72.7707 per hectolitre. The average butterfat price received per kilogram was $19.26.

SASKATCHEWAN MILK POOL RESULTS March 2008
TABLE IV

Milk Sale Revenue	$ 14,396,899.42
Western Milk Pool	$ 371,747.48
Dairy Farmers of Canada Skim Off	$ -19,057.34
Plant of Last Resort Service	$ -57,671.85
Total Pool Value	**$ 14,691,917.71**

ACCOUNTING VALUES FOR CLASSES OF MILK – April - 2008
TABLE V

	Butterfat ($/kg)	**($ per hl. Skim milk)**	
Class 1a	$5.3000	$62.37	
Class 1b	$5.3000	$62.37	
Class 1c	$5.3000	$54.30	
	Butterfat ($/kg)	**Protein ($/kg)**	**Other Solids ($/kg)**
Class 2	$7.3088	$5.4705	$5.4705
Class 3a	$7.3088	$12.7797	$0.8521
Class 3b	$7.3088	$12.5270	$0.8361
Class 4a, 4b, 4d & 4d(i)	$7.3088	$5.0721	$5.0721
Class 4a(i)	$7.3088	$3.0000	$3.0000
Class 4c	$7.3088	$4.3872	$4.3872
Class 4m	$0.00	$0.00	$0.00
Class 5a	$2.8656	$8.3633	$0.1825
Class 5b	$2.8656	$2.5645	$2.5645
Class 5c	$3.6176	$2.5645	$2.5645
Class 5d	**As determined by**	**the CDC**	

CLASS 1 PRICE INCREASE – MAY 1, 2008

The Alberta Energy and Utilities Board increased the minimum price for Class 1 milk by $0.98 per hl. effective April 15, 2008. The increase was due mainly to hay and dairy feed price increases based on a two month trend analysis. Accordingly, the Saskatchewan Milk Control Board will increase the Class 1 price to producers by $0.98 per hl. effective May 1, 2008.

ELECTRICAL OUTLETS REQUIRED FOR BULK TRUCK PUMPS

All milk houses must be equipped with an approved electrical outlet for the bulk truck pump motor. The electrical outlet should be located near the hose port and controlled by an approved switch located on the inside wall of the milk house.

Although the majority of the bulk truck fleet is equipped with PTO pumps, there are occasions when truck breakdowns will necessitate the use of trucks that do not have PTO pumps. To accommodate this, all dairy operations must be equipped with electrical outlets for pump off.

Producers are also encouraged to check any existing electrical outlets to ensure that they are operational.

If you have any questions, please contact Deb Haupstein at (306) 787-6457.

QUOTA MANAGEMENT TABLE

Please find enclosed your quota management results for March, 2008. This Table indicates the percentage of each producer's quota allocation utilized as well as the kilograms of butterfat produced by these shipments.

For the 2007-2008 dairy year, the Board will continue to provide these results on a monthly basis. We hope this information will assist producers with their management decisions regarding the utilization of their butterfat quota. If you have any questions, please contact our office.

QUOTA LISTING SERVICE

The Board offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows, or swap quota is welcome to contact the Board office at (306) 787-5319. All prices and negotiations will be independent of the Milk Control Board.

Wanted to purchase

- Holstein bull calves. Will pick up on-farm. Call for competitive pricing. Contact Dan at (403) 635-1415.

For Sale

- Quota for sale. Contact Kevin at (306) 549-2129.
- DeLaval I.D. Transponders, Neck belts, neck belt numbers. Call Chad at (306) 598-2054.

- Approximately 24,000 kilograms of butterfat. Holstein cows, heifers, calves and bulls. Take possession August 1, 2008. Contact Clara Ollenberger at (306) 753-2747 or cell phone (306) 753-7767.

- Cows and quota for sale. Contact Ferch Farms at (306) 736-2205.

- Lloyetta Holsteins have sold their cows and quota November 2007. We have kept our home bred heifers and have purchased some quality heifers. Many heifers have deep pedigrees from popular bulls such as Goldwyn, Final Cut, Sept. Storm, FBI, Titanic, Jasper and others. We also have some very nice Grade heifers due in early 2008. We have a total of 100 heifers and feel we can meet your cattle needs. The heifers will start calving in January 2008 and we will have springing heifers thru 2008 and 2009. We have breeding age bulls and younger for sale, most from VG dams with high production. Call Lloyd & Loretta Sawatzky, Box 58, RR #4, Saskatoon at (306) 239-4818 or Cell (306) 281-2247.

- Quota for sale with a transfer date of August 1, 2008 (approximately 21,033 kilograms) Contact Melanie @ (306) 764-7865.

- Cows and quota (approximately 40,000 kilograms). Please contact Ken Schmidt @ (306) 374-8980

- 2000 gallon Delaval tank. Contact James Hein (306) 365-3209

- Bred heifers for sale – contact Danny at Box Elder Colony – (403) 502-9997

- Quota for sale – contact Fred or Anne Monchuk at (306) 365-4750.

Want to Swap in Quota

- Ponteix Colony would like to swap in quota. Contact Jerry at (306) 625-7551.

- Ford Dairy Farms would like to swap in quota. Contact Margaret at (306) 782-7240

- Keith Thoner would like to swap in quota. Phone (306) 259-2171

- Robert Coghill would like to swap in quota. Phone (306) 699-7237

- Levi at Bench Colony would like to swap in quota. Phone (306) 297-3270

- Hodgeville Colony would like to swap in quota. Contact Paul at (306) 677-2232 Extension 6315

- Earview Colony would like to swap in quota. Contact David at (306) 672-3516

Want to Swap out Quota

- Holstein Haven would like to swap out quota. Contact Bob at (306) 228-2921 or (306) 228-8598
- Wheatland Colony would like to swap out quota. Phone (306) 587-2458 Ext. 109
- Jim Gorrill would like to swap out quota. Phone (306) 725-4828.
- Kevin Flath would like to swap out quota. Phone (306) 549-2129

PRODUCER SURVEY

In order to assist the Board estimate provincial production trends for the balance of the dairy year, please find attached a survey, which we request producers complete on behalf of their dairy operation and return to the Board by **April 25th.**

This survey came about as a result of discussions at the recent round of producer meetings.

MILK CONTROL BOARD MEMBERS

Leonard Blocka, Chairman	Phone – (306) 764-8439
Dr. David Christensen	Dairy researcher/professor U of S – Phone (306) 966-4152
Joseph Guenther	Dairy producer – Phone (306) 239-4689
David Finlay	Dairy producer – Phone (306) 493-2403
Garf Stevenson	Consumer representative
Joanne Mortenson	Processor representative

For further information, please contact the Saskatchewan Milk Control Board office.

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